

NEIGHBORHOOD STABILIZATION PROGRAM ROUND 2 (NSP2)

INDIANA NSP2 PROGRAM

PUBLIC COMMENT PERIOD ANNOUNCEMENT

The U.S. Department of Housing and Urban Development (HUD) has been authorized to administer the federal Neighborhood Stabilization Program 2 (NSP2). NSP2 will provide grants to states, certain local communities and nonprofits to purchase and redevelop foreclosed or abandoned homes or other vacant properties, for resale or rental to low, moderate, and middle income households, in order to stabilize neighborhoods and stem the declining values of neighboring homes. The funding is provided under the American Reinvestment and Recovery Act of 2009 (Recovery Act) for additional activities under Division B, Title III of the Housing and Economic Recovery Act of 2008 (HERA).

On May 4, 2009 HUD released the NSP2 Application. State and local governments and nonprofits must submit applications for these funds to HUD by July 17, 2009. The national allocation under NSP2 is approximately \$1.93 billion and funds will be awarded by HUD through a competitive application process. The Indiana Housing and Community Development Authority intends to compete for these funds to implement an Indiana NSP2 Program at the head of a consortium. The following table enumerates the cities, towns and nonprofits participating in the consortium, the eligible census tracts and cities to be served, and the amounts we anticipate allocating to each community.

In accordance with HUD guidelines, information on the proposed Indiana NSP2 Program must be posted for no fewer than 10 calendar days for public comment before it is submitted to HUD by the July 17, 2009 deadline. Information on the Indiana NSP2 Program required to be posted includes the amount of money applied for, uses of funds, and in which target geography NSP2-assisted activities will take place. The following information on the amount of money applied for, uses of funds, and in which target geography NSP2-assisted activities will take place is accurate as of July 2, 2009 but may be revised between now and the application deadline of July 17, 2009.

In NSP2, IHCD is proposing to support the targeted production or renovation of up to 1,000 units in selected communities throughout Indiana with a combination of new construction on vacant lots, renovation of foreclosed homes, demolition, Brownfield redevelopment and assistance to homebuyers interested in purchasing a foreclosed unit. At least 25% of the units assisted with NSP funds will be targeted to low-income households earning less than 50% of the area median income. Up to 10% of the NSP2 grant may be used for general administration and planning activities.

Indiana has a significant inventory of foreclosed and abandoned homes; the presence of these units in a community both depresses the property values of surrounding homeowners and contributes to blight in the community at large. NSP2 permits the following five uses: (1) establishment of financing mechanisms for purchase of foreclosed homes; (2) purchase and rehabilitation of abandoned or foreclosed homes; (3) land banking of foreclosed homes; (4) demolition of blighted structures; and (5) redevelopment of vacant or demolished property. The Indiana NSP2 Program will primarily involve spending these funds for the acquisition and rehabilitation of foreclosed residential properties, or the acquisition of vacant properties for either new construction or substantial rehabilitation. With local municipalities already financially engaged and development partners on board, the projects which comprise the State's application are well-positioned to either preserve or introduce new affordable rental and homeownership units, representing a targeted response with stabilizing benefits for their immediate communities.

Funds awarded will be used to stabilize neighborhoods within Indiana whose viability has been and continues to be damaged by the economic effects of properties that have been foreclosed upon and abandoned. The targeted communities have been pre-selected by IHCD, in consultation with local communities, on the basis of HUD's Areas of Greatest Need and Affordability criteria; the demonstrated capacity and expertise of their development teams; their strategic impact on stabilizing severely weakened neighborhoods; "green" building features and technologies which will enhance energy and cost efficiencies; and their strong likelihood of leveraging other financing and advancing to construction over the next 12 months. They range in concept from the renovation of large scale rental developments to acquisition and redevelopment of vacant lots on which the existing property has been demolished. Geographically they span the State's diverse regions, as should be evident from our applicant list (attached).

Unless the Recovery Act or HERA states otherwise, the regular rules of the Community Development Block Grant (CDBG) program apply to the NSP2 funds. CDBG requirements related to fair housing, nondiscrimination, labor standards and the environment, including lead-based paint, must be met in the NSP2 Program. Grantees must ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed-upon homes remain affordable. All funds must benefit households below 120% of area median, and 25% of the resources must benefit households of 50% of area median income.

Indiana welcomes public comment on its NSP2 Program, and invites interested parties to review and comment on the proposed NSP2 Program during a public comment period.

This 10-day public comment period begins on Monday, July 6, 2009 and extends through close of business on Thursday, July 16, 2009.

Comments should be mailed to Indiana Housing and Community Development Authority, Attention: Peter Hunt, 30 South Meridian, Suite 1000, Indianapolis IN 46204 or e-mailed to NSP@ihcda.ing.gov.

Comments must be received by close of business Thursday, July 16, 2009

Indiana Housing and Community Development Authority

Consortium Applications as of July 2 2009

| Applicant Number | Applicant Name | County | Total Development Costs | NSP Request | Leverage |
|------------------|---|----------------|-------------------------|--------------|--------------|
| 2009-NSP-047 | Affordable Housing Corporation of Marion, Indiana | Grant | \$ 1,345,400 | \$ 762,400 | \$ 583,000 |
| 2009-NSP-049 | Area Five Agency on Aging and Community Services (Logansport) | Cass | \$ 1,345,400 | \$ 762,400 | \$ 583,000 |
| 2009-NSP-066 | City of Alexandria | Madison | TBD | TBD | TBD |
| 2009-NSP-068 | City of Anderson | Madison | \$ 4,365,200 | \$ 2,200,000 | \$ 2,165,200 |
| 2009-NSP-016 | City of Attica | Fountain | \$ 2,599,409 | \$ 2,000,000 | \$ 599,409 |
| 2009-NSP-072 | City of Austin | Scott | \$ 1,388,000 | \$ 1,388,000 | \$ - |
| 2009-NSP-075 | City of Bedford | Lawrence | \$ 1,388,000 | \$ 1,388,000 | \$ - |
| 2009-NSP-026 | City of Berne | Adams | TBD | TBD | TBD |
| 2009-NSP-070 | City of Bicknell | Knox | \$ 1,534,673 | \$ 1,000,000 | \$ 534,673 |
| 2009-NSP-033 | City of Brazil | Clay | \$ 1,467,700 | \$ 1,435,350 | \$ 32,350 |
| 2009-NSP-065 | City of Elwood | Madison/Tipton | TBD | TBD | TBD |
| 2009-NSP-032 | City of Hartford City | Blackford | \$ 3,240,000 | \$ 2,642,500 | \$ 597,500 |
| 2009-NSP-045 | City of Kendallville | Noble | \$ 1,494,000 | \$ 1,000,000 | \$ 494,000 |

Indiana Housing and Community Development Authority

Consortium Applications as of July 2 2009

| | | | | | |
|--------------|---|--------------|---------------|--------------|---------------|
| 2009-NSP-067 | City of Lawrence | Marion | \$ 2,463,979 | \$ 2,463,979 | \$ - |
| 2009-NSP-015 | City of Ligonier | Noble | \$ 1,454,750 | \$ 1,000,000 | \$ 454,750 |
| 2009-NSP-054 | City of New Albany | Floyd | \$ 11,172,123 | \$ 6,757,091 | \$ 4,415,032 |
| 2009-NSP-020 | City of Petersburg | Pike | \$ 746,700 | \$ 714,200 | \$ 32,500 |
| 2009-NSP-018 | City of Richmond | Wayne | \$ 3,000,000 | \$ 3,000,000 | \$ - |
| 2009-NSP-074 | City of Salem | Washington | \$ 1,388,000 | \$ 1,388,000 | \$ - |
| 2009-NSP-073 | City of Seymour | Jackson | \$ 1,388,000 | \$ 1,388,000 | \$ - |
| 2009-NSP-013 | City of South Bend | St. Joseph | \$ 26,905,544 | \$ 3,145,000 | \$ 23,760,544 |
| 2009-NSP-082 | City of Sullivan | Sullivan | TBD | TBD | TBD |
| 2009-NSP-022 | City of Tell City | Perry | TBD | TBD | TBD |
| 2009-NSP-042 | City of Union City | Randolph | TBD | TBD | TBD |
| | City of Washington | Daviess | \$ 9,004,197 | \$ 2,163,535 | \$ 6,840,662 |
| 2009-NSP-050 | Grant County Area Plan Commission (Fairmount) | Grant County | \$ 2,223,000 | \$ 2,018,000 | \$ 205,000 |
| 2009-NSP-044 | Hoosier Uplands Economic Development Corporation (Paoli) | Lawrence | TBD | TBD | TBD |

Indiana Housing and Community Development Authority

Consortium Applications as of July 2 2009

| | | | | | |
|--------------|---|------------|------------------|---------------|---------------|
| 2009-NSP-055 | Martindale Brightwood Community Development Corporation | Marion | \$ - | | |
| 2009-NSP-025 | Muncie Neighborhood Redevelopment Corporation | Delaware | | TBD | TBD |
| 2009-NSP-053 | Noblesville Housing Authority | Hamilton | \$ 1,563,348 | \$ 527,782 | \$ 1,035,566 |
| 2009-NSP-057 | Pathfinder Services, Inc (Huntington) | Huntington | \$ 1,305,250 | \$ 785,060 | \$ 520,190 |
| 2009-NSP-058 | Pathfinder Services, Inc (Wabash) | Wabash | TBD | TBD | TBD |
| 2009-NSP-002 | Riley Area Development Corp | Marion | TBD | TBD | TBD |
| 2009-NSP-078 | Town of Albany | Delaware | \$ 1,478,000 | \$ 1,478,000 | \$ - |
| 2009-NSP-063 | Town of Cambridge City | Wayne | TBD | TBD | TBD |
| 2009-NSP-076 | Town of Marengo | Crawford | \$ 769,000 | \$ 659,000 | \$ 110,000 |
| 2009-NSP-005 | TRI-City Comprehensive Comm. Mental Health Center, Inc | Lake | \$ 3,787,000 | \$ 1,893,500 | \$ 1,893,500 |
| NA | Near North Development Corporation | Marion | TBD | TBD | TBD |
| NA | Terre Haute (Grantee??) | Vigo | TBD | TBD | TBD |
| NA | Uptown | Marion | TBD | TBD | TBD |
| | | | \$ 88,816,673.49 | \$ 43,959,797 | \$ 44,856,876 |